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**SECRETARY, BOARD OF
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST)
FOR AGENCY ACTION OF MAGNUM)
NGLS SOLUTION MINING, LLC, FOR)
AN ORDER AUTHORIZING)
OPERATION OF UNDERGROUND)
NATURAL GAS LIQUIDS STORAGE)
CAVERNS UNDERLYING PORTIONS)
OF SECTIONS 22, 23, 26 AND 27 OF)
TOWNSHIP 15 SOUTH, RANGE 7)
WEST, S.L.M., MILLARD COUNTY)
UTAH)**

REQUEST FOR AGENCY ACTION

Docket No. 2014-014

Cause No. 282-01

Pursuant to Utah Code Ann. § 40-6-5(3), Magnum NGLs Solution Mining, LLC ('Magnum'), acting by and through its attorneys, Smith Hartvigsen, PLLC, hereby respectfully requests that the Board of Oil, Gas and Mining (the 'Board') enter an order allowing for the operation of multiple underground natural gas liquids ('NGLs') storage caverns (the 'Project') underlying portions of Sections 22, 23, 26 and 27 of Township 15 South, Range 7 West, S.L.M., Millard County, Utah.

In support of this Request, Magnum respectfully states and represents that:

1. Magnum is a Utah limited liability company, in good standing, with its principal place of business in Salt Lake City, Utah. Magnum is qualified to do, and is doing, business in Utah. Magnum is duly bonded with all state and federal agencies relevant to this Request.

2. The Board has jurisdiction over the parties and subject matter of this Request pursuant to Utah Code Ann. § 40-6-5(3).

3. Magnum has identified a significant need for additional storage capacity of NGLs.

4. The Project will be located on approximately 750 acres of SITLA-owned land in Millard County, approximately 10 miles north of Delta, Utah.

5. The location of the Project allows for easy access to NGLs transportation facilities.

6. The Project entails solution mining several storage caverns in a subsurface salt deposit for the purpose of storing NGLs, such as propane and butane.

7. The solution mining of the caverns is being, and will continue to be, carried out under Underground Injection Control (“UIC”) Permit Number UTU-27-AP-9232389, as modified to date, duly issued to Magnum Solution Mining, LLC.

8. In accordance with the applicable permits, Cavern Wells 5 and 6 (API Well Numbers 43027500020000 and 43027500030000, respectively) are under construction and expected to be completed in April 2014. Construction of Cavern Wells 5 and 6 is being performed under Permits to Drill issued on May 2, 2013. Cavern Well 7 is in the permitting process. Additionally, Magnum will construct additional caverns in compliance with all applicable regulations and permitting requirements and in accordance with the UIC Permit, including the Minor Modification to the UIC Permit dated January 6, 2014, and as the UIC Permit may be modified in the future.

9. On July 14, 2009, Rob Herbert, Woody Campbell and Candace Cady of DWQ met with John Baza and Gil Hunt of the Utah Division of Oil, Gas and Mining (“DOGM”) to discuss the coordination of each agency’s permitting process and oversight responsibility for the cavern wells discussed in this Request.

10. Once each cavern has met the requirements of the UIC Permit, including passing mechanical integrity testing (“MIT”), regulatory authority for the operation and maintenance of the caverns as storage facilities for NGLs will pass to the DOGM since natural gas storage is exempt from UIC Program rules.

11. Along with the Utah Department of Environmental Quality, DOGM has been significantly involved in the Project and the corresponding reviews and approvals and is well-informed of the history, details, scope, and current status of the Project.

WHEREFORE, Magnum respectfully requests the Board to:

A. Set this matter for hearing at the Board’s regularly scheduled hearing to be held on March 26, 2014, to consider approving the operation of Cavern Wells 5, 6, and 7, once completed, as described herein.

B. Approve the operation of all future underground NGLs storage caverns completed as part of the Project in accordance with the permits issued as described herein.

C. Give any notice of this Request as provided by the laws of the State of Utah and regulations issued pursuant thereto.

D. Conduct a hearing at which Magnum and all interested parties may be allowed to present evidence regarding whether the Board should approve the operation of underground NGLs storage caverns as described herein.

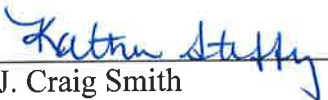
E. Enter an order approving the proposed operation of the current and future underground NGLs storage caverns.

F. Make such findings and enter such orders in connection with this Request as it deems necessary.

G. Provide such other relief as may be just and proper under the circumstances.

Respectfully submitted this 7th day of February, 2014.

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